

# NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



Brandolyn Thomas Pinkston, Administrator

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## FOR IMMEDIATE RELEASE

### *Over \$700,000 Recovered for South Carolina Consumers from Debt Settlement Company*

**Columbia, SC.....** In a settlement reached last month, a Texas company has voluntarily agreed to give partial to full refunds for 448 customers in South Carolina who entered into a contract with the company after December 1, 2005. The company, regulated under the provisions of the *South Carolina Consumer Credit Counseling Act*, failed to obtain a license from the South Carolina Department of Consumer Affairs (SCDCA), as the Act stipulates, and charged fees to consumers that exceeded those allowed by the Act.

This is the single largest recovery from an out-of-state agency since the Credit Counseling Law went into effect, according to SCDCA Administrator Brandolyn Thomas Pinkston. "The naysayers said we wouldn't be able to go across state lines and recover funds for South Carolinians, but our diligence is paying off," she said. "This is a great win for South Carolina consumers."

Carri Grube, SCDCA staff attorney, stated that while most credit counseling organizations can provide financially distressed individuals with valuable assistance, regulation of the industry is necessary to thwart businesses that mislead or exploit consumers. "The Credit Counseling Law has a purpose – to protect people in our state who are experiencing financial hardship," she said.

Grube said that the Texas-based debt settlement company fully cooperated with the Department of Consumer Affairs.

Since December 2005, SCDCA has recovered more than \$825,000 for Palmetto State credit counseling consumers. For more information on credit counseling or other consumer issues, contact the public information division at SCDCA at 803.734.4190, or toll free in South Carolina, 1.800.922.1594, or online at [www.sccconsumer.gov](http://www.sccconsumer.gov).

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#### About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit [www.sccconsumer.gov](http://www.sccconsumer.gov).

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